MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2017 / 2018 SESSION

DEC5038 – ENTREPRENEURSHIP

(Diploma Students Only)

25 OCTOBER 2017
2.30p.m. – 4.30p.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **8** pages with 3 sections.
2. For sections A and B, shade your answers in the OMR form provided.
3. For section C, write your answers in the answer booklet provided.
4. Answer **ALL** questions.

SECTION A: MULTIPLE CHOICE QUESTIONS (each question carries 1.5 marks). Answers for this section should be shaded in the OMR form provided.

1. A business plan is a written summary of _____.

   A. an entrepreneur's proposed business venture
   B. a business venture's operational, financial and marketing details
   C. the skills and abilities of a business venture's managers
   D. All of the above.

2. The three "tests" associated with a business plan are _____.

   A. reality, competitive and value
   B. competitive, profitability and value
   C. value, reality and profitability
   D. reality, value and litmus

3. Potential investors tend to believe that if an entrepreneur cannot develop a good plan, the entrepreneur _____.

   A. is probably an action-oriented person who is potential of running a business
   B. needs to hire a consultant to write the plan for him
   C. probably lacks the discipline to run a business
   D. needs to conduct a motivation workshop

4. The _____ serves as the "strategic compass" for the entire business plan and is the broadest expression of a company's purpose and defines the direction in which it will move.

   A. executive summary
   B. mission statement
   C. company history
   D. marketing mix

5. Which of the following is **NOT** one of the three components of intellectual capital?

   A. Human.
   B. Structural.
   C. Competitor.
   D. Customer.

Continued...

6. The value proposition that sets a company apart from its competitors and gives it a unique position in the market, superior to its competition, is its _____.

   A. competitive advantage
   B. SWOT analysis
   C. competitive profile
   D. strategic game

7. Maria is the owner of the Daily Café. A new restaurant opens a few blocks away. From Maria's perspective, this new restaurant constitutes a(n) _____.

   A. weakness
   B. strength
   C. threat
   D. opportunity

8. Which of the following is an effective method of collecting information about competitors?

   A. Ask customers and suppliers what competitors are doing.
   B. Talk to employees, especially sales representatives and purchasing agents, about competitors.
   C. Attend trade shows and collect competitors' sales literature.
   D. All of the above.

9. Entrepreneurs who start businesses because they cannot find any other jobs are _____.

   A. serial entrepreneurs
   B. necessity entrepreneurs
   C. opportunity entrepreneurs
   D. corporate cast-offs

10. Potential drawbacks of entrepreneurship may include _____.

    A. uncertainty of income, risk, long hours and high stress
    B. uncertainty of income, risk, easy hours and frequent vacations
    C. uncertainty of income, risk, long hours and the immediate accumulation of wealth
    D. certainty of income, risk, long hours and high stress

Continued...

11. Which of the following technological forces is driving the entrepreneurial trend in our nation?

A. Cloud computing.
B. Mobile marketing.
C. The Internet.
D. All of the above.

12. Entrepreneurial couples who work together as co-owners of their business are referred to as _____.

A. dual entrepreneurs
B. corporate dropouts
C. copreneurs
D. young entrepreneurs

13. Small businesses can compete with larger rivals with bigger budgets by employing unconventional, low-cost creative techniques known as _____.

A. market research
B. astonishing customer service
C. bootstrap marketing strategies
D. psychographics

14. The specific group of customers at whom a company aims its goods or services is referred to as a _____.

A. market segmentation
B. target market
C. niche market
D. mass market

15. Which of the following is **NOT** a secondary source of market research data?

A. Trade publications.
B. Focus groups.
C. Magazines.
D. Websites.

Continued...

16. A _____ is a company's "face" in the marketplace and it communicates a key message to the target market.

A. brand
B. blog
C. logo
D. tagline

17. Examples of _____ include a presence on Facebook, LinkedIn and Twitter.

A. corporate website
B. word-of-mouth marketing
C. customer loyalty
D. social media marketing

18. _____ frequently convey the idea of quality, prestige and uniqueness to customers.

A. Effective packaging
B. Low prices
C. High prices
D. High profile promotions

19. The acceptable price range of a product or service is the area between the _____ defined by customers in the market and the _____ established by the company's cost structure.

A. price floor; price ceiling
B. price ceiling; price floor
C. price floor; value
D. image; quality

20. A pricing technique that sets prices that always end in number "99" for prices such as RM9.99 and RM19.99 is an example of _____ pricing.

A. odd
B. zone
C. cheap
D. value

Continued...

21. Entrepreneurs are **MOST** likely to give up more equity in their businesses in the _____ phase than in any other.

A. product testing
B. start-up
C. idea sketch
D. product shipping

22. The first place an entrepreneur should look for start-up capital is _____.

A. a bank
B. a venture capitalist
C. his or her own savings
D. an angel

23. _____ is a method of raising capital that taps the power of social networking. It allows entrepreneurs to post their elevator pitches and proposed investment terms on specialised websites and raise money from ordinary people who invest as little as RM1.00.

A. Crowd funding
B. Bootstrapping
C. Finance marketing
D. Loan sharing

24. A(n) _____ is when a company raises capital by selling shares of its stock to the general public for the first time.

A. partnership
B. initial public offering
C. debt equity management
D. acquisition

25. An important part of any e-commerce effort is _____.

A. the use of current technology and its successful implementation
B. to have a site that is fast and dependable
C. to have high traffic to the site, regardless of the customers' interests in what the site actually offers
D. the ability to understand the underlying business and to develop a workable business model

Continued...

26. The **MOST** common reasons for leaving a website without purchasing include which of the following?

A. Shipping charges were too high.
B. Site did not look trustworthy.
C. Customers could not find the items they were looking for.
D. All of the above.

27. A successful website should include all of the following characteristics **EXCEPT** _____.

A. a frequently asked questions (FAQs) section
B. continuous automated music that cannot be turned off
C. updated and timely information
D. readable font sizes

28. Generation Y and Generation Z are examples of _____ changes.

A. economic
B. geographic
C. demographic
D. sociocultural

29. Generally, an industry is more attractive when companies in the industry have _____ switching costs to go from one supplier to another.

A. high
B. low
C. moderate
D. significant

30. The process in which entrepreneurs test their business models on a small scale before committing serious resources to launch a business that might not work is known as _____.

A. business modeling
B. business prototyping
C. business planning
D. market sculpting

[TOTAL 45 MARKS]

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SECTION B: TRUE/FALSE QUESTIONS (each question carries 1 mark).
Answers for this section should be shaded in the OMR form provided.
Shade "A" for the TRUE statement and "B" for the FALSE statement.

31. The Business Model Canvas is a dynamic framework to guide entrepreneurs through the process of developing, testing and refining their business models.

32. The majority of new business owners work fewer than 40 hours per week.

33. Watching the top ten TV shows, seeing the top ten movies or listening to children are methods a small business owner could use to conduct market research.

34. Trust is the foundation for long-term customer relationships that are crucial for e-commerce.

35. The most effective technique by which small companies can gain a competitive edge over their larger rivals is to charge lower prices for the goods and services they sell.

[TOTAL 5 MARKS]

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SECTION C: STRUCTURED QUESTIONS [TOTAL 50 MARKS].
Answers should be written in the answer booklet provided.

QUESTION 1

a) State and explain the **FIVE (5)** phases of entrepreneurial process. (10 marks)

b) Explain the following types of franchising. Give **ONE (1)** example for each type.
   i. Trade name (2 marks)
   ii. Product distribution (2 marks)
   iii. Pure (2 marks)

c) State any **FOUR (4)** factors that make a franchise appealing. (4 marks)

[Total: 20 marks]

QUESTION 2

a) List down the **EIGHT (8)** factors that an entrepreneur should consider when choosing a form of ownership. (8 marks)

b) Explain the differences between ***general partners*** and ***limited partners***. (2 marks)

c) State **FIVE (5)** advantages of a partnership. (5 marks)

[Total: 15 marks]

QUESTION 3

a) Explain the following barriers to international trade:
   i. Tariffs (2 marks)
   ii. Quotas (2 marks)
   iii. Dumping (2 marks)

b) Describe the **TWO (2)** strategies that businesses can use when exporting to countries whose currencies are not convertible to other currencies. (4 marks)

c) A website presence is becoming increasingly important to businesses of the twenty-first century. Explain **FIVE (5)** benefits that a business might gain by selling online. (5 marks)

[Total: 15 marks]

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